Remarks/Arguments

The Office Action mailed October 12, 2007 has been reviewed and carefully considered. Claims 1-35 are pending in this application. No new matter has been added. Reconsideration of the above-identified application, in view of the following remarks, is respectfully requested.

Rejection under 35 U.S.C. §102(b)

The Examiner has rejected claims 1-35 under 35 U.S.C. §102(b) based upon the public use or sale of the invention more than one year prior to the filing of the related patent application. The Applicant respectfully asserts that this matter has been discussed between the Examiner and Applicant's attorney in a related application, and it is believed a resolution was reached at that time. As such, applicant reiterates their previous arguments in that allowed application and respectfully submits that ***no public use or sale of the matter presently claimed occurred more than 1 year prior to the filing of the parent case.***

With respect to the Examiner's comment that Applicant's silence on specific issues has been interpreted as an admission by application. Applicant respectfully disagrees. As stated above, applicant's attorney had personally addressed all the 102 issues with the Examiner on the phone for a related application and at such time a resolution was reached. As such, applicant was of the opinion that this matter had been addressed and resolved by the time the response to the office action of October 4, 2007. As such, the Examiner's re-assertion of the same rejections in this case are unfounded, and no such admissions have been made by applicant's belief these matters had been resolved by the prior telephone interview between Applicant's attorney and the Examiner for the related application.

Applicant therefore re-iterates the comments previously submitted in response to the office action in the related application (U.S. Serial No. 10/121,608), and kindly requests another telephone interview with the Examiner to resolve this matter.

MPEP §2133.03(e) states that "[a] use or sale is experimental for purposes of section 102(b) if it represents a *bona fide* effort to perfect the invention or to ascertain whether it will answer its intended purpose. If any commercial exploitation does occur, it must be merely incidental to the primary purpose of the experimentation to perfect the invention." *LaBounty Mfg. v. United States Int'l Trade Comm'n*, 958 F.2d 1066, 1071, 22 USPQ2d 1025, 1028 (Fed. Cir. 1992) (quoting *Pennwalt Corp. v. Akzona Inc.*, 740 F.2d 1573, 1581, 222 USPQ 833, 838 (Fed. Cir. 1984)). Here, the display of the initial development prototype at NAB 97 was undertaken to develop and perfect the product embodying the present principles.

Any display of the features of this product at NAB 97 was for the purpose of soliciting industry members willing to test the product in a professional environment, and who would be willing to provide feedback on bugs, stability, and other quality assurance elements of the product while in development.

Furthermore, MPEP §2133.03(b)(II) states that "[o]nly an offer which rises to the level of a commercial offer for sale, one which the other party could make into a binding contract by simple acceptance (assuming consideration), constitutes an offer for sale under §102(b)." *Group One, Ltd. v. Hallmark Cards, Inc.*, 254 F.3d 1041,1048, 59 USPQ2d 1121, 1126 (Fed. Cir. 2001). At NAB 97, any discussion of possible future pricing was merely to determine whether development of the project should continue under the market conditions prevalent at the time of the trade show. (Holtz declaration, paragraph 11). No offers for sale were made at the NAB 97 trade show, and no

commercial exploitation took place at the NAB 97 trade show. Thus, as the invention was still in development, and no offers for sale, or actual sales were undertaken at the NAB 97 trade show, any activities at NAB 97 would not bar the patentability of the present principles under §102(b)

The bulk of the development on the CameraMan STUDIO product was performed between the 1997 NAB show and the critical date. It should be further noted that during another trade show, Telecon 97, in October 1997, that several show attendees inquired as the availability and sale of the CameraMan STUDIO product, and were told that the product was not for sale. (Holtz declaration, paragraph 15).

The version of the product shown in October 1997, at Telecon 97, was an early alpha stage prototype that "was not ready for commercialization because it could not be used to produce a real-time, live television show for newsrooms...The purpose of demonstrating the advanced "alpha" of the CameraMan STUDIO was, once again, to identify candidates willing to test a beta version of the CameraMan STUDIO to determine whether it was operable in a real-time studio environment." (Holtz declaration, paragraph 16).

Such solicitation of beta testers cannot be a sale, as 1) the need for beta testers indicates that the product was still in the experimentation and testing stages; and 2) a beta testing agreement is not a sale contract, or even an offer for sale. As stated in the Holtz declaration, the product was not capable of performing real-time news feature production in October 1997, and was thus, not ready for patenting. The solicitation of newsrooms to perform beta testing was a bona fide attempt to find industry experts, with real-world production environments, where testing and development under normal industry use could be performed. Such testing is merely experimental use.

Additionally, contrary to the Examiner's reading of the Exhibits, the declaration of Alex Holtz states that the product demonstrated at the Telecon 97 trade show would "later become the beta test version of CameraMan STUDIO *after* significant development of the Transition Macro code." (Holtz declaration, paragraph 13). Thus, the transition macro code, was not included in the prototypes shown at Telecon 97, the last trade show prior to the critical date. As the transition macro codes were not shown, there was no public use or knowledge of this feature prior to the critical date.

The Examiner has stated that the product was "[o]ffered sale with price to public", and that "the CameraManStudio was completed and demonstrated and offered to the public in marketing documents on numerous occasions." However, this is not the case. As stated above, inquiries regarding sale of the product were answered with unequivocal statements that the product was for *not* sale. Additionally, The Examiner has equated the solicitation for testers with an offer for sale of the product. The Applicant respectfully traverses this interpretation of events. As stated above, the solicitation of beta testers was to find a suitable testing ground for continued development of the product under normal industry conditions. Such testing does not imply that Rainbow Media, the beta tester could have forced delivery of a commercially usable product, or that the beta testing agreement was "one which the other party could make into a binding contract by simple acceptance (assuming consideration)", as required by the *Group One, Ltd.* decision and MPEP §2133.03(b)(II). Furthermore, paragraph 17 of the Holtz declaration states that the beta testing agreement between the parties required that Rainbow Media use the product and provide reports of the product's performance, and that Rainbow Media was required to keep the beta version of the product secret. Such testing and secrecy requirements are the antithesis of public use.

Thus, no sale, offer for sale, or public use of the present principles as claimed occurred prior to the critical date. Additionally, the product was still in development during the period leading up to, and after, the critical date. The product was not yet ready for patenting until after the critical date of December 19, 1997. Thus, independent claims 1, 8, 10, 16, 17, 18, 26 and 32 are not barred under 35 U.S.C. §102(b) for public use or sale. In light of the above remarks and clarifications, the Applicant respectfully requests withdrawal of the Examiners §102(b) rejection of independent claims 1, 8, 10, 16, 17, 18, 26 and 32. The dependent claims 2-7, 9, 11-15, 19-25, 27-31 and 33-35 are also believed to be patentable based on the their dependency from the respective independent claim.

In light of the above comments, Applicants, therefore, respectfully requests the Examiner's reconsideration and withdrawal of the §102 rejection of all the claims.

Conclusion

In view of the foregoing remarks, the Applicants respectfully solicit reconsideration of the Examiner current rejections and allowance of the claims on the merits. If, however, the Examiner believes such action cannot be taken, the Examiner is invited to contact the applicant's attorney at (609) 734-6820, so that a mutually convenient date and time for a telephonic interview may be scheduled.

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Reply to Office action of October 12, 2007

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It is believed that no fee is due in connection with this matter. However, if any fee is due, please charge it to Deposit Account 07-0832 or, if any overpayment has been made, please credit it to Deposit Account No. 07-0832.

Respectfully submitted,
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